

A G E N D A

UTAH BOARD OF WATER RESOURCES

Olmstead Room
East Complex
Capitol Hill
Salt Lake City, UTah

April 25, 2008

1:00 p.m.

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES - March 12, 2008
- III. CHAIR'S REPORT
- IV. WATER SUPPLY REPORT Randy Julander
- V. FEASIBILITY REPORTS County
 - E232 Mapleton City Utah
 - E238 Hooper Irrigation Co. Weber
 - E235 Kays Creek Irrigation Co. Davis
- VI. COMMITTAL OF FUNDS REPORTS
 - E221 Glenwood Irrigation Co. Sevier
 - L557 Deweyville Town Box Elder
- VII. DIRECTOR'S REPORT
- XI. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Olmstead Room
East Complex
Capitol Hill
Salt Lake City, UTah

April 25, 2008

10:00 a.m.

- | | | |
|------|-------------------------------|--------------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman McPherson |
| II. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | LAKE POWELL PIPELINE UPDATE | Eric Millis |
| IV. | BEAR RIVER DEVELOPMENT UPDATE | Eric Millis |
| V. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status
April 25, 2008

Funds Available for Projects This FY \$ 10,966,000

Projects Contracted This FY

1 Mosby Irr Co (Amend)	D730			\$ 4,360,000
2 North Creek Irr Co	E181			288,000
3 Providence-Logan Irr Co	E191			193,000
4 Enterprise Res & Cnl Co (Upper Ent Dam)	C036	Grant	**	2,840,000
5 Enterprise Res & Cnl Co (Upper Ent Dam)	C036	Loan	**	160,000
6 Rocky Ford Irr Co	E213			87,300
7 Twin Creek Irr Co	E180			475,000
8 Deseret Irr Co	E101			96,000
9 North Creek Irr Co (Amend)	E181			54,000
10 Providence-Logan Irr Co	E191			15,300
11 DMAD Company (DMAD Dam)	C031	Grant	**	<u>522,500</u>

Total Funds Contracted \$ 9,091,000

Funds Balance \$ 1,875,000

Projects with Funds Committed

1 Utland Ditch Co	E182			\$ 270,000
2 Sevier Valley Cnl Co	E197			195,500
3 Kaysville Irr Co (Temporary Loan)	C037			738,000
4 Division of Wildlife Res (Mill Hollow Dam)	C034	Grant	**	1,440,000
5 Rocky Ford Irr Co (Amend)	E213			22,900
6 Wayne County	E219			810,000
7 East Fielding Pump & Distrib Co	E230			57,000
8 South Cove Culinary Water Co	E222			66,000
9 Fountain Green Irr Co	E234			230,000
10 New Escalante Irr Co	C035	Grant	**	7,020,000
* 11 Glenwood Irr Co	E221			<u>128,000</u>

Total Funds Committed \$ 10,977,000

Funds Balance \$ (9,102,000)

Projects Authorized

1 Old Meadow Ranchos C&W Co	E210			\$ 68,000
2 Grave Yard Irr Co	E204			19,500
3 New Escalante Irr Co	E077			300,000
* 4 Kays Creek Irr Co	E235			<u>192,000</u>

Total Funds Authorized \$ 580,000

Remaining Funds Available # \$ (9,682,000)

* To be presented at Board Meeting

End of year balance if all listed projects were fully paid

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status April 25, 2008

Funds Available for Projects This FY	\$ 4,431,000
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Bonds Closed This FY

1 Weber-Box Elder Cons Dist (Re-committal)	E209	\$ 233,000	
2 Centerfield Town	L547	<u>255,000</u>	
Total Bonds Closed			\$ 488,000
Funds Balance			\$ 3,943,000

Projects with Funds Committed

* 1 Deweyville, Town of	L557	\$ 1,346,400	
Total Funds Committed			\$ 1,346,000
Funds Balance			\$ 2,597,000

Projects Authorized

1		\$ -	
Total Funds Authorized			\$ -
Remaining Funds Available		#	\$ 2,597,000

* To be presented at Board Meeting

End of year balance if all listed projects were fully paid

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status April 25, 2008

Funds Available for Projects This FY \$ 24,096,000

Projects Contracted/Bonds Closed This FY

1 Magna Water Co an Improvement Dist	E190	\$ 7,100,000
2 Ephraim Irr Co (Amend)	E061	120,000
3 South Jordan City (Bond Ins Grant)	E224	45,000
4 Weber Basin WCD (Ph 1)	E225	5,825,000
5 Clearfield City (Bond Ins Grant)	L559	24,000
6 Davis & Weber Counties Cnl Co (Ph 5)	E215	2,700,000
7 South Weber Irr Co	E208	<u>1,216,000</u>

Total Funds Contracted/Closed	<u>17,030,000</u>
Funds Balance	\$ <u>7,066,000</u>

Projects with Funds Committed

1 Lake Creek Irr Co (Ph 1)	E102	\$ 22,500
2 Saratoga Springs City (Bond Ins Grant)	E218	117,000
3 Garfield County School Dist	E220	459,000
4 Jordan Valley WCD (Bond Ins Grant)	E228	225,000
5 Uintah WCD (Island Ditch)	E036	<u>1,122,000</u>

Total Funds Committed	\$ <u>1,946,000</u>
Funds Balance	\$ <u>5,120,000</u>

Projects Authorized

1 Strawberry High Line Canal Co	D976	\$ 3,187,000
2 Richland Nonprofit Water Co	E087	335,000
3 Lake Creek Irr Co (Ph 2)	E102	300,000
4 Provo River Water Users Association	E177	60,000,000
5 Whiterocks Irr Co	E084	4,955,000
6 Central Utah W C D	E205	60,000,000
7 Weber Basin WCD (Ph 2+)	E225	56,035,000
8 Brooklyn Canal Co	E223	1,000,000
9 St George & Washington Canal Co	E129	2,450,000
10 Cub River Irr Co	E233	1,600,000
11 Brigham City	L560	6,000,000
* 12 Mapleton City	E232	1,900,000
* 13 Hooper Irr Co	E238	<u>4,500,000</u>

Total Funds Authorized	\$ <u>202,262,000</u>
Remaining Funds Available	# \$ (197,142,000)

* To be presented at Board Meeting

End of year balance if all listed projects were fully paid

BOARD OF WATER RESOURCES

April 25, 2008

ADDITIONAL ACTIVE PROJECTS	Fund	Est. Board Cost	Total Cost
Projects Under Investigation			
1 Woodruff Irrigating Co	D680 C&D	\$ 600,000	\$ 800,000
2 Kane County WCD	D828 C&D	1,500,000	2,000,000
3 Keith Johnson	D996 RCF	37,500	50,000
4 Hyrum Blacksmith Fork Irr Co	E047 C&D	1,230,000	1,640,000
5 Mayfield Irr Co	E067 RCF	187,500	250,000
6 East Juab County WCD	E071 C&D	375,000	500,000
7 Ferron Canal & Res Co	E082 C&D	2,625,000	3,500,000
8 Weber-Box Elder Conservation Dist	E113 C&D	9,750,000	13,000,000
9 Parowan City (Bond Ins Grant)	E121 C&D	34,000	2,034,000
10 Cottonwood Creek Consolidated Irr Co	E125 C&D	3,750,000	5,000,000
11 Fremont Irr Co	E131 C&D	1,500,000	2,000,000
12 Grantsville Irr Co	E150 C&D	321,000	428,000
13 Vernon Irr Co	E158 RCF	37,500	50,000
14 Kingston Irr Water Co	E169 RCF	85,000	240,000
15 Greenwich Water Works Co	E171 RCF	112,500	250,000
16 Bullion Creek Irr Co	E172 RCF	75,000	100,000
17 Fountain Green Irr Co (Flow Augment)	E186 RCF	75,000	100,000
18 San Juan WCD	E198 C&D	3,000,000	4,000,000
19 Midvale City	L556 C&D	7,125,000	9,500,000
20 Wallsburg Irr Co	E203 RCF	90,000	120,000
21 Leota Irr Co, Inc	E207 C&D	2,800,000	3,500,000
22 Ouray Park Irr Co	E212 C&D	2,100,000	2,470,000
23 Corinne City	E216 C&D	80,000	100,000
24 West Field Irr Co	E217 RCF	68,000	85,000
25 Devil's Pass Water Co	E226 RCF	157,500	210,000
26 Thompson Ditch Co	E227 RCF	142,500	190,000
27 Barton-LeFevre-Tebbs Co	E229 RCF	487,500	650,000
28 Moroni Irr Co	E231 C&D	3,997,500	5,330,000
29 Whispering Pines Water Co	E237 RCF	168,000	224,000
* 30 Blue Creek Irr Co	E239 RCF	37,500	50,000
* 31 West Bountiful City	L561 CWL	2,625,000	3,500,000
Subtotal		\$ 45,173,500	\$ 61,871,000

* New Application

BOARD OF WATER RESOURCES

April 25, 2008

Additional Authorized or Committed Projects

1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 9,496,000	\$ 10,084,575
2 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	28,369,000	33,375,000
3 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	11,588,000	13,561,180
4 Hooper Irr Co (Press Irr, Ph 4)	E060	C&D	<u>11,033,000</u>	<u>12,980,000</u>
Subtotal			<u>\$ 60,486,000</u>	<u>\$ 70,000,755</u>
TOTAL ADDITIONAL PROJECTS			\$ 105,659,500	\$ 131,871,755

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-232**
Received: 10/22/07
Approved: 12/14/07

To be Presented at the April 25, 2008 Board Meeting

SPONSOR: **MAPLETON CITY**

Mayor: Laurel Brady

LOCATION: The proposed project is located throughout the city of Mapleton in Utah County.

EXISTING CONDITIONS & PROBLEMS: Mapleton City obtains its culinary water from several wells and springs to serve its 2,033 connections (including three schools, five churches, and 17 commercial establishments). Three wells (Mapleton #1, Orton, and Whiting) have been contaminated with various chemicals used in the manufacture of explosives at a facility south of the city.

In cooperation with the Division of Water Quality a program has been initiated in which about 1,500 gpm of contaminated groundwater is pumped, filtered, and discharged continuously from the three wells. During the summer months a portion of this water is used for pressurized irrigation of approximately 400 homes and a school in the northwest part of the city. The remainder of the water is discharged into Hobble Creek.

There is no regulating pond on the system, resulting in fluctuating pressures as use varies. The majority of other residents use culinary water for irrigation. In anticipation of installing a city-wide secondary irrigation system, developers have been required to install secondary irrigation distribution pipelines since 2002, resulting in approximately 660 dry connections to date.

The sponsor owns approximately 630 shares in three local irrigation companies, one of which (Mapleton Irrigation Company) operates a canal that runs through the city close to an old regulating pond site the city has recently purchased. The canal is currently being piped as part of the Central Utah Project.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to install a city-wide secondary irrigation system. The project is being divided into two phases:

Phase I (anticipated construction - 2008) includes a 108 acre-foot regulating pond with appurtenances, approximately 2 1/4 miles of 16 to 8-inch PVC pipe, approximately 3/4 of a mile of 24-inch reinforced concrete pond overflow pipe, a booster pump station, connection to Mapleton Well #1, 600 metered connections (including the 400 existing and 200 dry connections), and improved road access to the pond. The booster pump will provide pressurized water from the pond to the secondary system. The proposed pond will be a below-ground excavated enlargement of an existing pond and is sized to serve a city-wide system.

Phase II (anticipated construction - 2010) encompasses the pipe and facilities necessary to provide city-wide secondary irrigation and includes approximately 35 1/2 miles of 12 to 6-inch PVC pipe, about 3/4 of a mile of 30-inch HDPE pipe, several mainline connections to the Mapleton Canal Pipeline, and about 1,400 metered service connections.

Technical assistance is being provided by RB&G Engineering in Provo.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
PHASE I				
1.	Mobilization	LS	\$80,000	\$ 80,000
2.	Sitework	LS	375,000	375,000
3.	Excavation	LS	445,000	445,000
4.	Pond Lining	LS	1,125,000	1,125,000
5.	Concrete Work	LS	50,000	50,000
6.	Pump/Pumphouse	LS	205,000	205,000
7.	Roadwork	LS	175,800	175,800
8.	24" RCP Overflow	3,800 LF	50	190,000
9.	PVC C900 Pipe			
	a. 16-inch	7,200 LF	48	345,600
	b. 12-inch	3,000 LF	45	135,000
	c. 8-inch	1,500 LF	31.50	47,250
10.	Valves & Fittings	LS	67,000	67,000
11.	Service Connections/Meters	600 EA	1,100	660,000
12.	Monitoring Wells	5 EA	3,000	15,000
Construction Cost				\$3,915,650
Contingencies				391,350
Pond Site Purchase				1,800,000
Legal and Administrative				118,000
Design and Construction Engineering				325,000
Sub Total				\$6,550,000
PHASE II				
1.	Mobilization	LS	\$90,000	\$ 90,000
2.	PVC C900 Pipe			
	a. 12-inch	42,000 LF	46.50	1,953,000
	b. 8-inch	84,300 LF	32.50	2,739,750
	c. 6-inch	60,500 LF	29.50	1,784,750
3.	30" HDPE Pipe	4,000 LF	80.00	320,000
4.	Valves & Fittings	LS	325,000	325,000
5.	Service Connection/Meter	1,400 EA	1,200	1,680,000
Construction Cost				\$ 8,892,500
Contingencies				889,500
Legal and Administrative				743,000
Design and Construction Engineering				800,000
Sub Total				\$11,325,000
TOTAL				\$17,875,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources*	\$ 1,900,000	10.6%
Bond Market*	9,175,000	51.3
CUWCD Sec. 207 Grant	5,000,000	28.0
Sponsor	<u>1,800,000</u>	<u>10.1</u>
TOTAL	\$17,875,000	100.0%

**To be determined at committal.*

If the board authorizes the project, it is suggested it participate in an interest rate buy-down with the city to buy the market rate down to an effective rate of 4%. The repayment period and annual payments of each phase will be determined at the time funds are committed.

Based on preliminary figures, it is anticipated the market bond will carry an interest rate of about 4.7%, and the board bond will carry an interest rate of 0% (both being paid over 20 years), with total annual payments of approximately \$815,000.

ECONOMIC
FEASIBILITY:

The project is economically feasible if the cost of the next best alternative exceeds the cost of the proposed project. In this case, the best alternative is to expand the culinary system to provide all water needs through one system. The sponsor's engineer estimates this will cost \$35.6 million. Discounting all costs over 50 years produces a benefit/cost ratio of 1.17.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, Mapleton residents could pay up to \$66.93 monthly for water. The cost of all water, based on an estimated 2,180 connections in 2010, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Estimated Culinary Bill	\$ 835,000	\$31.92
New O&M	80,000	3.06
Bond Repayment	<u>815,000</u>	<u>31.15</u>
TOTAL	\$1,730,000	\$66.13

BENEFITS: Completion of the proposed project will utilize 1,500 gpm of treated well water, most of which is currently being wasted into Hobble Creek. Culinary water currently being used for outdoor irrigation will be conserved and will be available to serve future residents.

PROJECT SPONSOR: Mapleton City has a population of just over 7,000 and has been experiencing growth of approximately 4% over the past several years. The Governor's Office of Planning and Budget projects a growth rate of 3.5% through 2030.

The sponsor has not received funding from the board in the past.

WATER RIGHTS & SUPPLY: The sponsor owns a number of water rights, which cover seven wells and have been consolidated under Change Applications a24961 and a28102. These allow a diversion of 15.98 cfs up to 4,599.84 acre-feet. An additional change application is in process that will add a well recently purchased by the city. The sponsor also owns several rights to springs (nearly six cfs) and one for Maple Creek (51-4041, supplemental use for 12 cfs).

The sponsor also owns a total of 630 shares in Mapleton, East Bench, and East Jordan irrigation companies that entitle the city to approximately 2,500 acre-feet during years of full supply; however, it has received about half of that on average.

The sponsor, through the South Utah Valley Municipal Water Association, has contracted for approximately 2,500 acre-feet of CUP water. About 1,000 acre-feet of this water will be turned back to Central Utah Water Conservancy District for use in the June Sucker recovery program.

EASEMENTS: The sponsor has purchased the proposed pond site and it is anticipated pipelines will mostly follow city streets.

ENVIRONMENTAL: The enlarged pond will encompass approximately nine acres. No other long-term environmental impact is anticipated.

Once CUP water is delivered through the Mapleton Canal Pipeline, it will be exchanged for irrigation water from city-owned irrigation company shares obtained from Hobble and Maple Creeks; that water will then be allowed to remain in the creeks for June Sucker recovery.

WATER
CONSERVATION:

The sponsor will be required to review and update its water management and conservation plan. It will also be required to enact an ordinance restricting daytime outdoor water use. It currently has 'stepped' culinary water rates and plans to enact the same for secondary irrigation water.

The sponsor's application to Central Utah Water Conservancy District for CUPCA Section 207 grant funds indicates the project, when fully built, will conserve 3,407 acre-feet of water annually.

SPONSOR'S
RESPONSIBILITIES:

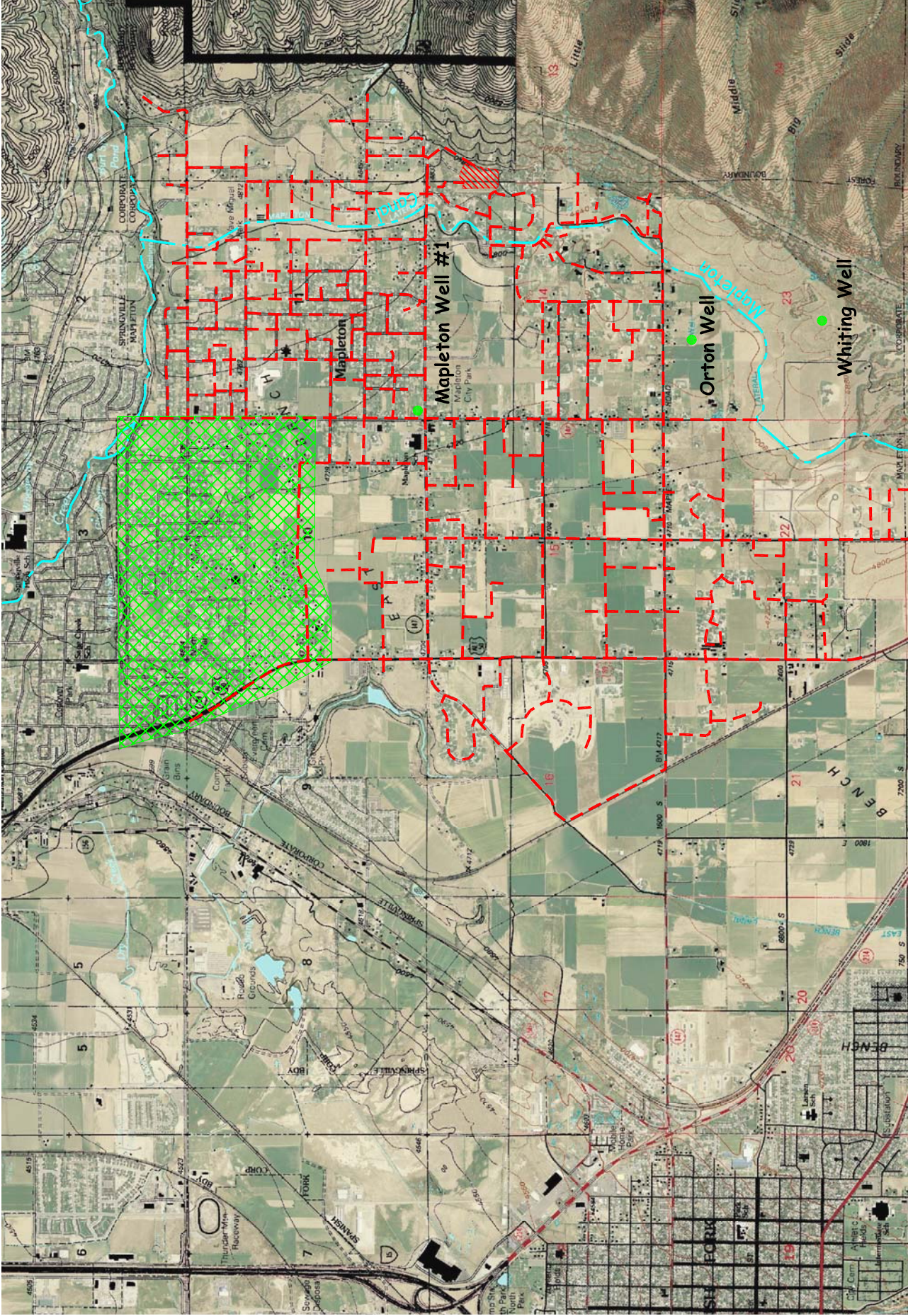
The sponsor will be required to make all arrangements to sell the board a non-voted revenue bond, as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a list of requirements and procedures necessary to close the loan will be furnished to the city.

PROJECT
CONTACT
PEOPLE:

Mayor: Laurel Brady
125 West Community Center Way
Mapleton, UT 84664
Phone: (801) 489-5655

Financial Advisor: Zions Bank
1 South Main St., 18th Floor
Salt Lake City, UT 84111
Phone:


Engineer: RB&G Engineers
1435 West 820 North
Provo, UT 84601
Phone: (801) 374-5771





MAPLETON CITY


Secondary Irrigation System


Utah County


 Proposed Pipeline


 Existing Service Area

 Existing Wells

 Proposed Pond

 Existing Wells





Project Location

Scale in Feet

3000 0 3000

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-238**

Received: 2/22/08

Approved: 3/12/08

To be Presented at the April 25, 2008 Board Meeting

SPONSOR: **HOOPER IRRIGATION COMPANY**

President: Theo Cox

LOCATION: The proposed project is located in the unincorporated communities of Taylor and West Weber, about five miles west of Ogden City in Weber County.

EXISTING CONDITIONS & PROBLEMS: The unincorporated communities of Taylor and West Weber have experienced considerable residential growth in the last decade and continue to grow at a fast pace. This growth puts a strain on the culinary water supplies of the Taylor-West Weber Water Improvement District, which supplies culinary water to this area. There is an increasing need for a pressurized lawn and garden system that would use the irrigation water previously supplied to farmland.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to construct a pressurized lawn and garden system in unincorporated Taylor and West Weber. The project will consist of a 25 acre-foot reservoir, pump station, and about 10.2 miles of ductile iron and PVC pipe. The sponsor plans to install 310 connections to existing homes to start the project, with up to 1,200 that could be served at capacity. Design and construction engineering services will be provided by J-U-B Engineers.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on information provided by the engineer and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$35,200	\$ 35,200
2.	PVC Pipe			
a.	4-inch	1,300 LF	12	15,600
b.	6-inch	3,400 LF	15	51,000
c.	8-inch	16,600 LF	19	315,400
d.	10-inch	10,000 LF	24	240,000
3.	DI Pipe			
a.	12-inch	6,900 LF	30	207,000
b.	14-inch	2,700 LF	34	91,800
c.	18-inch	3,700 LF	50	185,000
d.	24-inch	5,300 LF	65	344,500
e.	30-inch	3,500 LF	77	269,500
f.	36-inch	570 LF	100	57,000
4.	Valves & Fittings	LS	164,000	164,000
5.	Service Connection	LS	152,000	152,000
6.	Pavement Restoration	LS	330,000	330,000
7.	Canal Crossing	LS	42,000	42,000
8.	24 A-F Reservoir	LS	1,250,000	1,250,000
9.	Pump Station	LS	750,000	750,000
Construction Cost				\$4,500,000
Contingencies				450,000
Legal and Administrative				50,000
Design and Construction Engineering				300,000
TOTAL				\$5,300,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$4,500,000	85%
Sponsor	800,000	15
TOTAL	\$5,300,000	100%

If the board authorizes the project, it is suggested it be purchased at 1% interest over 30 years with annual payments starting at approximately \$106,000

and increasing 3.37% each year to a final payment of approximately \$280,500.

ECONOMIC
FEASIBILITY:

Economic feasibility is determined by comparing the cost of each project with the costs associated with the best alternative means of reaching the project's goals. The best alternative to this secondary irrigation project is for Taylor-West Weber Water Improvement District to supply all of its customers' water needs through its culinary system. According to the sponsor's engineer this would cost approximately \$10 million to construct. Water for this alternative would cost approximately \$286 per acre-foot. This consists of the amortized cost of purchasing one acre-foot from Weber Basin Water Conservancy District at \$2,900 and an annual assessment of \$110 per acre-foot.

Water for the secondary system is presently available at \$125 per acre-foot. This consists of the amortized cost of purchasing one acre-foot at \$2,000 from shareholders in the Wilson Irrigation Company, and an annual canal assessment of \$4.17 per acre-foot. The higher capital cost for the alternative, in addition to the higher annual cost of culinary water, makes the project economically feasible with a benefit cost ratio of 1.65.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, residents in the Taylor/West Weber area could pay up to \$30.23 monthly for water. The cost of all water, based on a projected 310 residential connections when payments are scheduled to begin, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
New O&M	\$ 29,500	\$ 7.93
Average Culinary	53,010	14.25
Proposed BWRe Loan	<u>106,000</u>	<u>28.49</u>
TOTAL	\$188,510	\$50.67

Because the cost per connection is well over the board's guideline, a lower interest rate and longer repayment period have been recommended.

The sponsor also plans to charge connection fees ranging from \$2,000 to \$3,000.

BENEFITS: The project will save culinary-quality water for indoor use, allowing for further residential growth. Safety concerns of open ditches will also be eliminated.

PROJECT SPONSOR: The sponsor incorporated in 1903, and is presently registered in good standing with the state Department of Commerce. It received funding from the board in 2002 for a similar project to supply lawn and garden water for Hooper City and part of West Haven City. Payments are currently being made of \$239,000, increasing until 2030 to \$472,000, at 3% interest.

The Taylor-West Weber Water Improvement District serves culinary water to the area. Water rates are:

Minimum Rate:	0 - 10,000 gallons	\$10.00
Overages:	11,000-30,000 gals.	\$1.35/1,000 gals.
	31,000-100,000 gals.	\$1.75/1,000 gals.
	101,000+ gals.	\$2.00/1,000 gals.

WATER RIGHTS & SUPPLY: Wilson Irrigation Company stock is to be used to supply water for the project. For each acre brought into the system, the landowner will turn over 1/2 share to the Hooper Irrigation Company for secondary water service and 1/2 share to the Taylor-West Weber Water Improvement District for culinary water. Hooper Irrigation Company will then need to transfer 1/2 share of Wilson Irrigation Company stock per connection (150 shares initially) to the board to secure the project water. Wilson Irrigation Company stock supplies up to six acre-feet annually and sells for \$12,000 per share.

The Wilson Irrigation Company has the following water rights:

<u>Water Right No.</u>	<u>Source</u>	<u>Flow</u>
35-8980	Seepage water	21.08 cfs
35-8036	Weber River	64.13 cfs
35-2160	Well	supplemental
35-1244	Weber River	50.00 cfs

EASEMENTS: The sponsor is buying the property for the proposed reservoir site. Developers of subdivision are providing easements for the pipeline construction.

ENVIRONMENTAL: The project is not expected to have any detrimental effects on the environment beyond the usual dust and noise of the construction phase.

WATER
CONSERVATION: Eliminating the earthen ditches will prevent water losses caused by evaporation and seepage into ditch banks.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties, easements, and Wilson Irrigation Company stock required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. The company has obtained all permits required for the project.
 - d. The water stock applicable to the project is unencumbered and legally transferable to the

Board of Water Resources, and covers the land to be irrigated by the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the board.

b. The company shareholders' Wilson Irrigation Company shares applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water stock necessary for the project.

5. Transfer Wilson Irrigation Company stock required for the project (1/2 share per connection) to the Board of Water Resources.

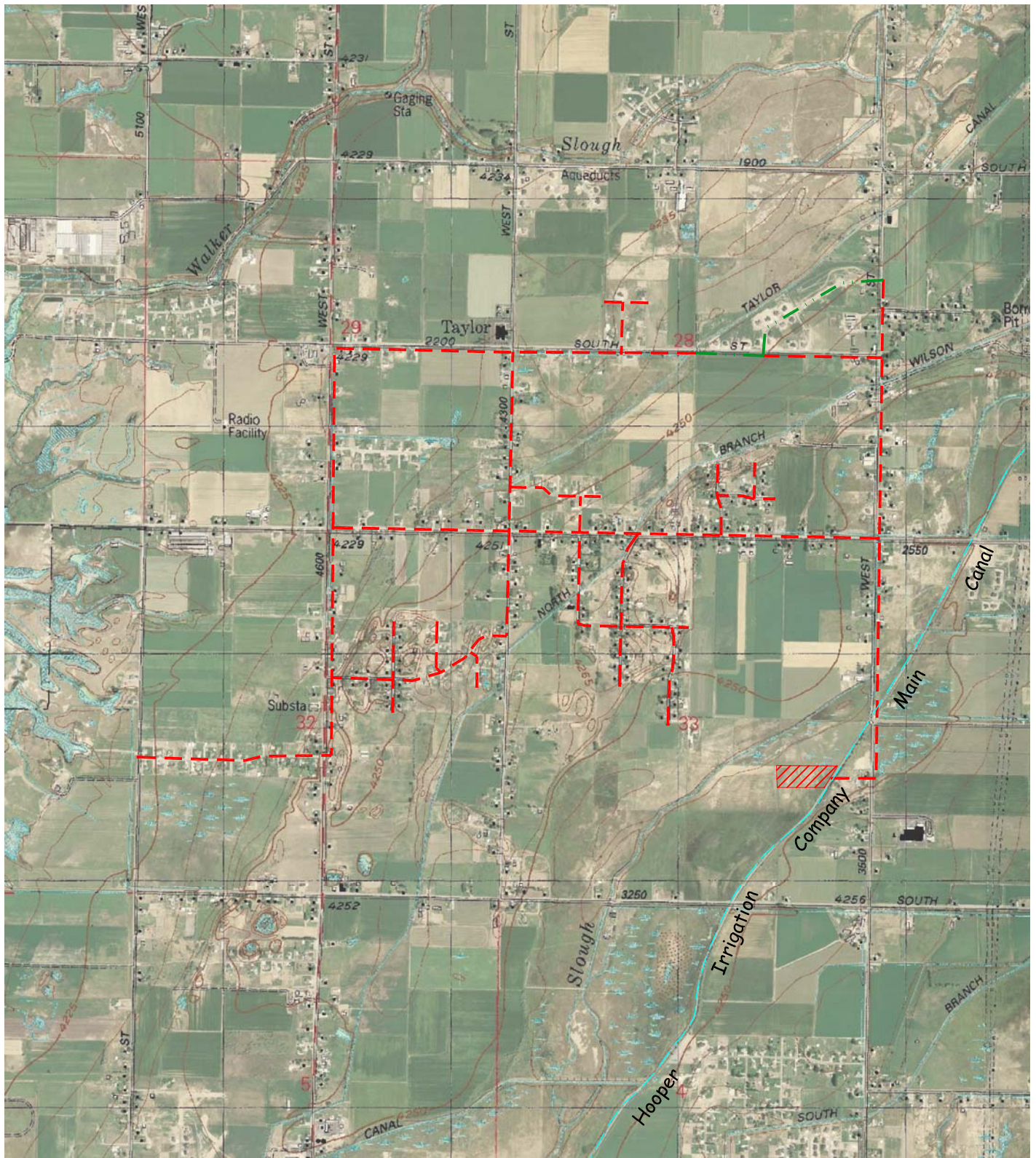
6. Obtain approval of final plans and specifications from the Division of Water Resources.

7. Submit plans and specifications to the Division of Drinking Water.




8. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

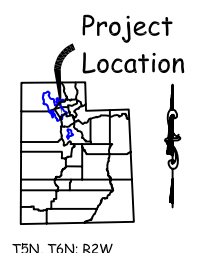
9. Adopt a rule prohibiting its users from irrigating landscapes between the hours of 10:00 a.m. and 6:00 p.m.

PROJECT CONTACT PEOPLE:	President:	Theo Cox 5779 South 6300 West Hooper, UT 84315 Phone: (801) 775-4367 (801) 985-1586 (home)
	Secretary:	Armina Widdison Box 184 Hooper, UT 84315 Phone: (801) 985-8429
	Engineer:	J-U-B Engineers 466 North 900 West Kaysville, UT 84037 Phone: (801) 547-0393
	Wilson Irrigation Company:	Vern Holmes, Secretary 1742 West 1900 North Farr West, UT 84404 Phone: (801) 737-0795
	Taylor-West Weber Water Improvement District:	Val Surrage, Manager 1150 South 4660 West Ogden, UT 84404 Phone: (801) 731-1688



HOOPER IRRIGATION COMPANY
 Proposed Taylor / West Weber Lawn
 and Garden Water System
 Weber County

-  25 acre - foot Reservoir and Pump Station
-  Proposed Pipelines
-  Pipeline installed by Developer



2000 0 2000
 Scale in Feet

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-235**

Received: 12/24/07

Approved: 01/25/08

To be Presented at the April 25, 2008 Board Meeting

SPONSOR: **KAYS CREEK IRRIGATION COMPANY**

President: Scott H. Green

LOCATION: The proposed project is located approximately two miles northeast of Layton in Davis County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides irrigation water from South Fork, Middle Fork, and Hobbs Canyon creeks to about 750 acres of sprinkle irrigated farmland around Layton, and to 1,863 pressurized lawn and garden connections east of Layton. The sponsor supplements this water with 2,100 acre-feet of storage in Hobbs and Adams reservoirs, both east of Layton.

The 1,160 acre-feet Hobbs Reservoir is impounded by an earthfill dam built in 1919. The outlet of this dam, a 12-inch concrete pipe, was recently slip-lined with a 10-inch HDPE pipe. The outlet control gate and intake are old, worn out, leaky, do not function well, and need to be replaced. The dam is rated "High Hazard" and lies immediately upstream of several residential neighborhoods in east Layton.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to replace the existing intake structure at Hobbs Dam with a new hydraulically operated gate system connected directly to the slip-lined pipe. HDC Engineering, LLC will provide design and construction engineering services.

The project fits in Prioritization Category 1
(projects which involve public health problems,
safety problems, or emergencies).

COST ESTIMATE: The following cost estimate is based on the
engineer's preliminary design and has been reviewed
by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u> <u>Price</u>	<u>Amount</u>
1.	Mobilization/ Demobilization	LS	\$24,000	\$ 24,000
2.	Site Prep/Excavate	12 CY	2,500	30,000
3.	Gate Structure	LS	36,000	36,000
4.	Hydraulic Control	LS	7,000	7,000
5.	Control Structure	LS	6,000	6,000
6.	Access Road	LS	24,000	24,000
7.	Concrete Testing	LS	3,000	3,000
8.	Base Preparation - Inlet Structure	LS	6,000	6,000
9.	Grout HDPE Pipe	LS	7,000	7,000
10.	Restoration Work	LS	6,000	6,000
11.	Dewatering	680 HR	50	34,000
Construction Cost				\$183,000
Contingencies				20,000
Legal and Administrative				5,000
Design and Construction Engineering				32,000
TOTAL				\$240,000

COST SHARING
& REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$192,000	80%
Sponsor	48,000	20
TOTAL	\$240,000	100%

If the board authorizes the project, it is suggested
it be purchased with annual payments of approximately
\$40,000 at 0% interest over 5 years beginning in
2010.

FINANCIAL
FEASIBILITY: The sponsor is currently paying \$40,000 per year on
a previous loan from the board, scheduled to be paid
off in 2009. Staff recommends beginning repayment of
the proposed project in 2010 to allow the sponsor to
maintain current assessments.

BENEFITS: Repairing Hobbs Reservoir will eliminate its safety hazards and assure continued storage.

PROJECT The Kays Creek Irrigation Company was incorporated in 1897 and is presently registered in good standing with the state Department of Commerce. The company consists of 21 shareholders who use water to raise crops, two large municipal shareholders, five churches, a school district, and 1,863 users of pressurized lawn and irrigation water. Those who use water to irrigate farms raise about 270 acres of alfalfa, 140 acres of grain, and 40 acres of other crops.

SPONSOR:

Each share represents three acre-feet, which generally covers one acre. Most residential irrigation users own 1/3 of a share, or one acre-foot, and pay a minimum of \$90 per year.

In 1949 and 1964 the board provided \$8,200 and \$18,000, respectively, for construction of pressure pipelines, and in 1997 the board provided \$175,000 to replace the Adams Dam outlet works; that assistance has all been returned. In 1984 the board provided \$586,000 to repair an embankment failure on Hobbs Dam; that assistance will be paid off in 2009. In the past several years the sponsor has received grants for dam safety studies on Adams and Hobbs Dams, and for replacement of the Adams Dam spillway.

WATER RIGHTS Water rights in the name of Kays Creek Irrigation & SUPPLY: Company are listed under WR Numbers 31-683, 31-1036, 31-2485, and 31-2314. Rights 31-683 and 31-1036 are for 937 acre-feet in Adams Reservoir and 1,162 acre-feet in Hobbs Reservoirs, respectively. Right 31-1036 is presently in the name of the board for the Hobbs Dam repair project.

EASEMENTS: The sponsor has all necessary easements for completion of the project.

ENVIRONMENTAL: Although there will be dust, noise, and some inconvenience in the area immediately around the dam during construction, no long-term environmental impacts are foreseen.

WATER
CONSERVATION: There will be no water conserved or developed by the project.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain any remaining easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. The company has obtained all permits required for the project.
 - d. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the board.
 - e. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources,

and that they cover the land to be irrigated by the project.

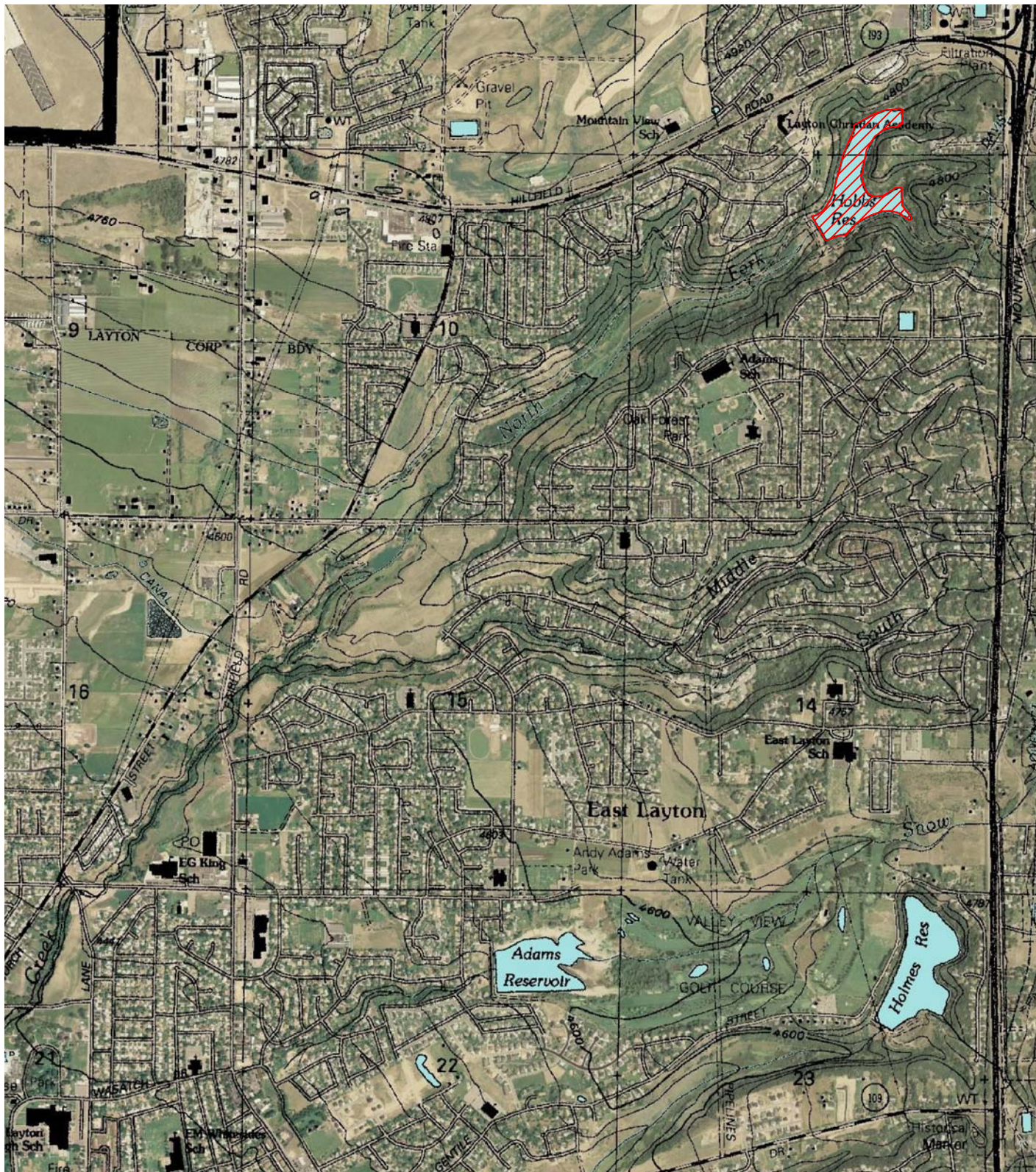
In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

4. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Water Rights (State Engineer).


5. Submit the signed water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT
CONTACT
PEOPLE:

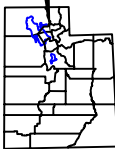
President:	Scott H. Green 1434 East Cherry Lane Layton, UT 84040 Phone: (801) 941-2010
Secretary:	Lois Cook 2029 East Gentile Street Layton, UT 84040 Phone: (801) 544-4160
Engineer:	Dee Hansen 268 East 500 North Centerville, UT 84014 Phone: (801) 298-3029



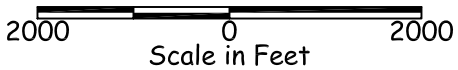
KAYS CREEK IRRIGATION COMPANY
 Hobbs Dam Outlet Repair
 Davis County

 Hobbs Dam Outlet Repair

Project
 Location



T4N; R1W



BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-221**
Received: 3/7/07
Approved: 4/20/07
Authorized: 8/10/07

To be Presented at the April 25, 2008 Board Meeting

SPONSOR: **GLENWOOD IRRIGATION COMPANY**

President: Jeffrey Anderson
P.O. Box 300507
Glenwood, UT 84730-0507
Phone: (435) 896-4692

LOCATION: The proposed project is located in and around Glenwood, about six miles east of Richfield in Sevier County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to upgrade its secondary system by installing several pressure regulating valves and vaults, and 1,000 feet of 4-inch pipe.

COST ESTIMATE & SHARING: The cost estimate and sharing remain as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$128,000	84%
Sponsor	<u>24,000</u>	<u>16</u>
TOTAL	\$152,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is suggested the loan terms remain as authorized: the project be purchased at 0% interest over 20 years with annual payments of \$6,400.

BOARD OF WATER RESOURCES

Committal of Funds

Cities Water Loan Fund

Appl. No.: **L-557**
Received: 9/15/06
Approved: 10/27/06
Authorized: 1/26/07

To be Presented at the April 25, 2008 Board Meeting

SPONSOR: ***DEWEYVILLE TOWN***

Mayor: Robert Thayne
10870 N. Highway 38
Deweyville, UT 84309
Phone: (435) 257-9922

LOCATION: The proposed project is located in Deweyville Town, about 15 miles north of Brigham City in Box Elder County.

SUMMARY: The sponsor serves culinary water for indoor and outdoor use to 127 connections. Water is supplied from a well and springs east of town. The sponsor's system is mostly over 30 years old, with small transmission and distribution lines and inadequate storage. The town cannot provide adequate fire protection or accommodate future growth (a moratorium was issued in August 2006), and the system is likely to fail without upgrades and improvements.

The board authorized funds for the sponsor's proposed culinary water improvements, including equipping a new well drilled in 2003 during the drought, upgrading the main transmission and distribution lines, and constructing a 500,000 gallon concrete storage tank.

COST SHARING & REPAYMENT: The cost sharing and repayment remain as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,346,400	85%
Sponsor	<u>237,600</u>	<u>15</u>
Total	\$1,584,000	100%

If the board commits funds to the project, it is suggested the \$1,346,400 be repaid in approximately 30 years at 1% interest with annual payments starting at \$42,900 and increasing 2% each year to approximately \$74,000, with a final payment of about \$86,400 (includes reserves).

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-239**

Received: 3/20/08

SPONSOR: **BLUE CREEK IRRIGATION COMPANY**

President: Ray Sorensen
Box 67
Howell, UT 84316
Phone: (435) 471-7215

LOCATION: The proposed project is located about 20 miles
northwest of Tremonton in Box Elder County.

PROPOSED PROJECT: The sponsor is requesting assistance to make
structural concrete repairs to the Blue Creek Dam
spillway, and repair canal diversion structures.

WATER RIGHTS: Numerous water rights on Blue Creek.

COST ESTIMATE: \$50,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **L-561**

Received: 3/24/08

SPONSOR: **WEST BOUNTIFUL CITY**

Mayor: James Behunin
550 North 800 West
West Bountiful, UT 84087
Phone: (801) 292-4486

LOCATION: The proposed project is located in West Bountiful City in Davis County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace and install about 11,000 feet of 12 and 14-inch culinary water pipeline.

WATER RIGHTS: 31-5033, 31-5088, 31-5090 and purchases from Weber Basin Water Conservancy District.

COST ESTIMATE: \$3,500,000

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
March 12, 2008

Crystal Inn
1450 S. Hilton Drive
St. George, Utah

TABLE OF CONTENTS

	<u>page</u>
SUMMARY OF BOARD ACTIONS	ii
THOSE PRESENT	iv
APPROVAL OF MINUTES	8
WATER SUPPLY REPORT	1
FEASIBILITY REPORTS	
#E-2E3 Cub River Irrigation Company	1
#L-560 Brigham City	2
COMMITTAL OF FUNDS	
#E-230 East Fielding Pump & Distribution Company	3
#E-222 South Cove Culinary Water Company	3
SPECIAL ITEMS	
#E-036 Uintah Water Conservancy District	4
#E-077 New Escalante Irrigation Company	4
#E-213 Rocky Ford Irrigation Company	5
#E-219 Wayne County	5
#E-234 Fountain Green Irrigation Company	6
FLAMING GORGE WATER RIGHTS	
#41-3487, 3523, 3530	
Uintah WCD, Duchesne County WCD	6
LAKE POWELL PIPELINE REPORT	8
BEAR RIVER DEVELOPMENT	9
DIRECTOR’S REPORT	9
NEXT MEETING	9

SUMMARY OF BOARD ACTIONS

1. The Minutes of the January 25, 2008 Board meetings were approved as presented. Page 8
2. The Board authorized the Cub River Irrigation Company project in the amount of \$1,600,000 (65%), to be purchased at 2% interest over 15 years with annual payments of approximately \$129,000. Page 2
3. The Board authorized the Brigham City project in the amount of \$9,000,000 (65%) to be repaid at 0% interest over 20 years with approximate annual payments of \$474,000. That money will not be available until July 1st, and is contingent on the board receiving it from DCED. The Board also authorized the Brigham City project in the amount of \$6,000,000 to be repaid concurrently in 20 years at 4% interest with approximate annual payments of \$472,000. Page 3
4. Funds were committed to the East Fielding Pump & Distribution Company in the amount of \$57,000 (76%) to be returned at 0% interest over 11 years with payments of approximately \$5,200 annually. Page 3
5. Funds were committed to the South Cove Culinary Water Company in the amount of \$66,000 (85%) to be returned at 0% interest over 10 years with payments of approximately \$6,600 annually. Page 3
6. The Board recommitted funds to Uintah Water Conservancy District in the amount of \$1,122,000 (60%) to be returned at 2% interest over 25 years with annual payments of approximately \$60,300 (includes reserves of \$10,000 for the first six years). Page 4
7. The Board reauthorized and committed funds to the New Escalante Irrigation Company in the amount of \$300,000 (2.3%) to be purchased at 0% interest with annual payments of approximately \$14,600 for 14 years and the balance to be paid in two years at approximately \$47,800. The Board also authorized the New Escalante Irrigation Company the use of dam safety grant funds (80% grant) in the amount of \$7,520,000 to remove and replace the existing Wide Hollow Dam. Page 5
8. The Board amended the contract with Rocky Ford Irrigation Company to provide an additional \$22,900, for a total of \$110,200 (76%), to be returned at 0% interest over approximately 9 years with annual payments of \$13,000 starting in 2011. Page 5

9. The Board reauthorized and committed funds to Wayne County in the amount of \$810,000 (15%) to be repaid at 0% interest over 25 years with annual payments of \$32,400. Page 6

10. The Board authorized and committed funds to Fountain Green Irrigation Company in the amount of \$230,000 (85%) to be returned at 0% interest over 24 years with annual payments of approximately \$9,700. Page 6

11. The Board tabled the request by Uintah Water Conservancy District and Duchesne County Water Conservancy District to retain Flaming Gorge Water Rights 41-3487, 3523, and 3530, until the December, 2008 board meeting. Page 8

THOSE PRESENT

The BOARD OF WATER RESOURCES met in regular session on Wednesday, March 12, 2008, at the Crystal Inn, 1450 S. Hilton Drive, St. George, Utah. Chair Paul McPherson presided over the 2:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Paul McPherson
Brad Hancock
Robert Bessey
Ivan Flint
Harold Shirley
Craig Johansen
Blair Francis
Stew Paulick

STAFF MEMBERS PRESENT:

Dennis Strong, Director
Eric Millis, Deputy Director
Todd Adams, Asst. Director
Randy Staker, Accountant
Val Anderson, Chief, Investigations
Tom Cox, Engineer
Russell Hadley, Engineer
Marisa Egbert, Engineer
Gina Hirst, Engineer
Barbara Allen, Secretary

OTHERS PRESENT:

Randy Julander, USDA/NRCS Snow Survey

Paul Dent, Project Chairman, Cub River Irrigation Company
Mark Gibbons, Cub River Irrigation Company
Eric Franson, Franson Civil Engineers
Dan Bolke, Franson Civil Engineers

Voneene Jorgensen, General Manager, Bear River WCD
Charles Holmgren, President, Bear River Canal Company
Bruce Leonard, City Administrator, Brigham City
Dennis Sheffield, Finance Director, Brigham City
Kevin Hamilton, Commercial Development Director, Box Elder County
John Lajoie, Projects Manager, Procter & Gamble, Inc.

OTHERS PRESENT CONT'D:

Jason Burningham, Lewis Young Robertson & Burningham
Brett Jones, Brigham City Engineer, Jones & Associates

Clair Allen, South Cove Culinary Water Company

Dan Davidson, General Manager, East Fielding Pump & Distribution Co.

Gawain Snow, Chairman, Uintah Water Conservancy District
Michael Collins, Bowen Collins & Associates

Bartt Carter, Board Member, New Escalante Irrigation Co.
Dale L. Wilson, Board Member, New Escalante Irrigation Co.
Aaron Stewart, Board Member, New Escalante Irrigation Co.
Todd Phillips, Board Member, New Escalante Irrigation Co.
Fran Wilson, Secretary, Wide Hollow WCD
Jay Franson, Franson Civil Engineers
Phil Gerhart, President, Gerhart Consultants
Larry Gray, Region Manager, Utah Division of State Parks & Recreation
Lawrence Twitchell, Ass't. Region Manager, Utah Division of State Parks & Recreation
Roland Prince, Project Manager, Utah Division of State Parks & Recreation
Dan Clark, Construction Manager, Utah Division of State Parks & Recreation
Kerry Carpenter, Regional Engineer, Utah State Division of Water Rights
Dave Marble, Utah State Division of Water Rights
Kent Jones, Assistant State Engineer, Utah Division of Water Rights

Thomas A. Jeffery, Commissioner, Wayne County
Ronnie Albrecht, President, Hanksville Canal Company
Ken Dastrup, USDA/NRCS

Lester W. Anderson, Board Member, Fountain Green Irrigation Co.
Larry D. Gilgen, Board Member, Fountain Green Irrigation Co.
Mary T. Gilgen, Secretary, Fountain Green Irrigation Co.

William Merkley, Trustee, Uintah WCD
Gale Rasmussen, Board Member, Uintah WCD
David Rasmussen, Consultant, Uintah WCD
John B. Hunting, Ass't. Manager, Uintah WCD
Addie Snow, Uintah WCD
Randy Crozier, General Manager, Duchesne County WCD
David Robertson, Ass't. Vice President, Lewis Young Robertson & Burningham

Gene Shawcroft, Central Utah WCD
Paul Blanchard, Northwest Pipe Company
Nancy Perkins, Reporter, Deseret Morning News

MINUTES OF
THE BOARD OF WATER RESOURCES MEETING
March 12, 2008

Chair McPherson welcomed everyone and introduced new board member Stew Paulick. Mr. Paulick said he was raised in Tooele, graduated from the University of Utah with a degree in mechanical engineering, and worked for Tooele Army Depot as a design and project engineer, ultimately getting into chemical weapons disposal. He handled a number of large, high-money projects, both from a design and development aspect and from operational aspects. He said he doesn't have any preconceived notions about the water business, which is a positive thing.

WATER SUPPLY REPORT

Randy Julander said this year is 180 degrees what it was from last year. In most cases there is double the snow pack this year than there was last year, and in almost all cases it is at least average and mostly above, with the exception of the Escalante. We start looking at it in terms of Utah specifically, the Bear River situation - 100% of average. There is a little bit of an anomaly in the snowpack, starting in the Weber drainage and southward, and that is a lot of low-elevation snowpack. Reservoir storage is up; they are expecting all reservoirs in the state to fill, with the exception of Bear Lake and the reservoirs that have fill restrictions. A little bit of the snowpack will be lost to satisfy soil moisture deficits, but even with that stream flow forecasts are for 110% to 130% of average.

FEASIBILITY REPORT

#E-233 Cub River Irrigation Company

Chair McPherson introduced Mark Gibbons and Paul Dent. (Also attending: Eric Franson and Dan Bolke.) Marisa Egbert reported the Cub River Irrigation Company serves agricultural land in Utah and Idaho, but the proposed project is located in and around Lewiston in Cache Valley, supplying agricultural water to about 6,400 acres there. The sponsor would like to install a pressurized irrigation system to replace a ditch system, and is requesting financial assistance from the board to install about nine miles of pipeline and three new pump stations. The sponsor is also requesting that existing pipeline be included with its cost share. The sponsor is asking for 65% of the total cost, or \$1.6 million, from the Utah Board of Water Resources, and has requested \$500,000 or 20% from the Board of Water Resources in Idaho. The sponsor's share would be 15% or \$360,000. Total cost of the project is estimated to be \$2.46 million. The suggested loan terms are 2% interest for 15 years with approximate annual payments of \$129,000; however, the sponsor is requesting the loan terms be 2% over 21 years, for approximate annual payments of \$96,000. For the 6,400 acres in concern that would be about \$15 a share, or \$15 an acre. The sponsor has received assistance from the board several times over many years in the past; it has returned all of that financial assistance with the exception of the newest project, which was started in 2006.

Paul Dent said the request for a repayment term of 21 years is important because much of the land is held by elderly people and many of the others in the company are going to step up as tenants of the property and make the payments. The longer repayment period would help them greatly. Blair Francis said this is a good water company with a very good record with the state, and the request for 21 years makes a lot of sense. Mr. Francis made the motion to authorize the Cub River project out of the Conservation and Development Fund, and to loan \$1,600,000, to be returned at 2% interest over 21 years with annual payments of approximately \$96,000. Ivan Flint seconded the motion, which passed unanimously.

#L-560 Brigham City

Chair McPherson introduced Bruce Leonard, Dennis Sheffield, Kevin Hamilton, John Lajoie, Jason Burningham, Brett Jones, Voneene Jorgensen, Charles Holmgren, and Dan Davidson. Gina Hirst reported that Brigham City in Box Elder County serves culinary water to 5,200 connections from several wells and springs located in and around the city. It has a total of 12.75 million gallons of storage, and a distribution system in good condition. Proctor and Gamble has decided to locate a paper products manufacturing plant in Box Elder County, about nine miles northwest of Brigham City. The plant will have a major impact on the economy of the area, providing jobs and growth to the entire county. The Governor's Office of Planning and Budget conducted a REMI analysis showing a 10-year net benefit to the state of nearly \$188 million.

Brigham City has agreed to provide about four million gallons per day to Proctor and Gamble for the facility. The county has developed an economic development area and will use funds collected in property taxes from Proctor and Gamble to pay for the capital costs of the project.

The Brigham City cemetery currently uses 1 million gallons per day to water the cemetery through the summer months, and the city would like to conserve that culinary water by upgrading the Mantua Reservoir intake structure to provide secondary water to the cemetery. It is requesting financial assistance from the board to construct about nine miles of pipeline to the site, and upgrade four miles of pipeline throughout the city to keep pressures at adequate levels for fire protection and residential use. It will also drill two new wells and equip an existing well, and upgrade the Mantua Reservoir intake. The total estimated cost is \$15.9 million, and the sponsor is requesting \$15 million from the board. The Utah State Legislature, through the Department of Community & Economic Development (DCED), appropriated \$9 million to the board to help fund the project. The board would participate in two bonds with the city: the first bond would be for \$9 million and would be repaid in 20 years at 0% interest with approximate annual payments of \$474,000. This money will not be available until July 1st, and should be contingent on the board receiving it from DCED. The second bond would be for \$6 million and would be repaid concurrently in 20 years at 4% interest with approximate annual payments of \$472,000.

The estimated cost of the project on an annual basis is \$1,346,000. Operation and maintenance costs would be covered by revenues from water rates assessed to Proctor and Gamble. The city has not established what that rate will be, but it could be about \$1.75 per

thousand gallons and will cover not only the O&M costs, but it will also cover future replacement costs. The two bonds from the board would be paid by the tax increment collected by the county. The sponsor is not received assistance from the board in the past.

Bruce Leonard said Brigham City is excited about the project. It will be an enormous benefit for the State of Utah, Box Elder County, and the surrounding communities in Box Elder County.

Blair Francis made a motion that the project be authorized and the \$9 million bonded indebtedness be repaid in 20 years at 0% interest with approximate annual payments of \$474,000. That money will not be available until July 1st, and is contingent on the board receiving it from DCED. Also that the \$6 million bonded indebtedness be repaid concurrently in 20 years at 4% interest with approximate annual payments of \$472,000. Brad Hancock seconded the motion. Motion passed unanimously.

COMMITTAL OF FUNDS

#E-230 East Fielding Pump & Distribution Company

Chair McPherson welcomed Dan Davidson. Val Anderson reported the East Fielding Pump and Distribution Company project was presented to the board in December 2007. It is requesting financial assistance to replace an existing vandalized pump, four head gates, and six canal structures. The cost estimate and cost sharing remain as authorized. The total project cost is \$75,000, with the board cost sharing \$57,000 or 76%, and the sponsor \$18,000 or 24%. The loan terms also remain as authorized: the project is being purchased at 0% interest over 11 years with annual payments of approximately \$5,200 annually. Blair Francis made a motion to commit funds to the East Fielding Pump and Distribution Company for \$57,000 (76%). The project will be purchased at 0% interest over 11 years, with payments of approximately \$5,200 annually. Harold Shirley seconded the motion. Motion passed unanimously.

#E-222 South Cove Culinary Water Company

Chair McPherson welcomed Clair Allen. Gina Hirst reported the South Cove Culinary Water Company project was authorized to drill and equip a 200-foot well as a back-up supply source and to provide additional water for the irrigation of lawns and gardens. The cost estimate and sharing remain the same as authorized with the Board of Water Resources providing \$66,000 (85%) of the total project cost and the sponsor providing \$12,000 (15%) of the total cost of \$78,000. The board committed funds to the project with loan terms remaining as authorized: the project will be purchased at 0% interest over 10 years with approximate annual payments of \$6,600.

Blair Francis moved that the Board of Resources commit funds to the South Cove Culinary Water Company out of the Revolving Construction Fund for \$66,000 (85%) to be purchased at 0% interest over 10 years with annual payments of \$6,600. Bob Bessey seconded the motion. Motion pass unanimously.

SPECIAL ITEMS

#E-036 Uintah Water Conservancy District

Chair McPherson introduced Mike Collins and Gawain Snow. Gina Hirst reported the board committed funds to the Uintah Water Conservancy District to install a pump station where the Island Ditch crosses the Steinaker service canal. The sponsor held a bid opening and the costs were about \$450,000 higher than the cost estimate. The sponsor eliminated some components of the project to reduce the cost and will use some reserve funds to increase its portion of the cost sharing, but requested the board provide an additional \$200,000, (a total of \$1,122,000 or 60% of the total project cost) for the project. The sponsor will provide 24% of the project cost.

Gawain Snow told the board the extra cost was due to the high cost of labor in the Uinta Basin. Brad Hancock made a motion to recommit funds from the Conservation Development Fund to the Uintah Water Conservancy District for an additional \$200,000 (a total of \$1,122,000) to be returned in 25 years at 2% interest with annual payments of approximately \$60,300. Ivan Flint seconded the motion. Motion passed unanimously.

#E-077 New Escalante Irrigation Company

Chair McPherson introduced Bartt Carter, Dale Wilson, Fran Wilson, Jay Franson, Aaron Stewart, Todd Phillips, Larry Gray, Dan Clark, Roland Prince, Lawrence Twitchell, (Phil Gerhart, Kerry Carpenter, Kent Jones also attending). Tom Cox reported New Escalante Irrigation Company in Garfield County provides irrigation water from the Escalante River to a piped irrigation system that was constructed in the 1980s with funding from the board. Water is stored in the Wide Hollow Reservoir, which is an off-stream site that was built in 1953 and held about 2,400 acre-feet at the time. Since then the reservoir has silted in to about half the original capacity, dam safety studies show the spillway is not adequate to pass the required flood, and the foundation is liquefiable in an earthquake. The sponsor's diversion on the Escalante River is also deteriorating and needs some work. In the mid-90s the sponsor requested staff to look at other dam sites. A site about 1 1/2 miles northwest of Wide Hollow Reservoir was chosen for additional study because of its higher elevation and a greater storage capacity. In 2004 the board authorized funding a dam at that site; however, the environmental assessment and easement by the BLM were appealed by environmental groups, and in order to avoid a lengthy legal battle the sponsor opted to pursue improvements at the existing dam site. Raising the dam at the existing site will inundate 25 additional acres and encroach on the Escalante State Park.

The sponsor requested financial assistance to remove the existing Wide Hollow Dam and rebuild it to a higher elevation, and also to make improvements to its diversion facility. This will increase the capacity to 2,600 acre-feet and raise the water level about eight feet. The project cost is estimated at \$13 million. The sponsor obtained a federal grant of about \$5 million through the Army Corps of Engineers, and requested that Water Resources provide a loan of 2.3% of the total project cost, up to a maximum of \$300,000, to cover improvements to the diversion on the Escalante River.

The sponsor also requested a Dam Safety Grant of 80% of the total estimated amount of the dam safety repair work, to a maximum of \$7.52 million. A new dam will double the existing capacity of the present structure, and this will increase the water to the fields by an average of 650 acre-feet per year, which will on average reduce the shortages by 1/3. Dam safety issues will be resolved with the construction of a new structure.

Jay Franson reported on the details of the work and said the sponsor is willing to commit to get it done, even though the farmers will be out of water during the irrigation season of 2010. Dan Clark from the state's Division of Parks and Recreation said they are excited about the project. It will help with the recreational activities at the park and it's a good project. They are concerned that the estimate of the impact the work would have on the park is low and would like to meet with the engineering firm to re-address some issues.

Harold Shirley made a motion to reauthorize the reconstruction of Wide Hollow Dam, which was approved in 2002 and authorized in 2004, with \$300,000 from of the Revolving Construction Fund, and a grant of 80% of the estimated \$9.4 million, not to exceed \$7.52 million, from the Dam Safety Grant Fund. The loan is to be paid back at 0% interest with payments of about \$14,600 for 14 years, and approximately \$47,800 for the final two years. Bob Bessey seconded the motion. Motion passed unanimously.

#E-213 Rocky Ford Irrigation Company

Marisa Egbert reported that in August, 2007, the board committed funds to replace the deteriorating spillway at Rocky Ford Dam. The bids came in higher than the engineer's estimate. The sponsor has made an agreement with the Division of Wildlife Resources to help out financially by providing 14% of the cost of the project. The sponsor is also requesting additional funds from the board. Originally the board committed \$87,300, or 90% of the project, and the sponsor is now requesting \$110,200, or 76% of the project. The sponsor will contribute 10%, which is \$14,500. The current committed amount loan terms are 0% interest for seven years, with annual payments of \$13,000; the proposed loan terms for the additional funds are 0% interest for approximately nine years, with the same annual payment of \$13,000.

Harold Shirley made a motion to commit an additional \$22,900 to Rocky Ford Irrigation Company from the Revolving Construction Fund at 0% interest, with repayments of \$13,000 per year for nine years. Craig Johansen seconded the motion. Motion passed unanimously.

#E219 Wayne County

Chairman McPherson introduced Thomas Jeffery, Ronnie Albrecht, and Kent Dastrup. Marisa Egbert reported the project is located about two miles west of Hanksville, and was originally authorized for Hanksville Canal Company. Since that time Wayne County has become the sponsor and the project has changed considerably. Wayne County will now be assisting Hanksville Canal Company in replacement of its diversion structure. In October of 2006, the Hanksville diversion structure was destroyed and stockholders were only able to get one cutting of alfalfa for the irrigation season. The sponsor is requesting financial assistance for

a project which will include a new diversion structure, a sluicing structure, approximately 1 1/2 miles of pipeline, and a fish raceway. The new diversion structure would be about 200 feet long 10 feet high. Wayne County is requesting \$810,000 from the board, which would be 15% of the project cost. The NRCS has been providing engineering, and will also be providing a grant of \$3.9 million, or 74% of the cost share, and the sponsor will provide \$578,000, or 11%. Much of that will come in the way of in-kind materials and labor. The suggested loan terms are 0% interest over 25 years, for annual payments of \$32,400. Wayne County has not received assistance from the board in the past; Hanksville Canal Company received assistance in 1948 and that has been repaid.

Thomas Jeffery said that without this diversion structure and the board's financial funding of the project, there would be no Hanksville. Kent Dastrup said they are confident the structure is stable and will exceed its design life considerably.

Bob Bessey made a motion to reauthorize the project and provide funding of \$810,000 (15%), at 0% interest over 25 years with annual payments of \$32,400. Ivan Flint seconded the motion. Motion passed unanimously.

#E-234 Fountain Green Irrigation Company

Chairman McPherson introduced Lester Anderson, Larry D. Gilgen, and Mary Gilgen. Russell Hadley reported the Fountain Green Irrigation Company serves pressurized sprinkle irrigation water to farmlands south of Fountain Green and to lawns and gardens in town. The company operates three separate irrigation systems supplied by three springs and a well. The Big Springs division serves 2,230 acres and is almost completely enclosed in pipeline, except for a 2,500-foot section of 60-year old concrete ditch beginning where the water exits the hydropower plant. This section creates problems with moss and debris getting into the system, as well as seepage losses. The sponsor is requesting technical and financial assistance from the board to remove the old concrete ditch, replace it with about 3,000 feet of 18-inch 80 psi pipe, and install four turnouts for livestock watering. Division staff has been requested to provide design and construction engineering services. The total project is estimated to cost \$270,000, and the sponsor is asking the board to provide \$230,000, or 85% of the cost sharing. It is suggested the loan be returned at 0% interest over 24 years with annual payments of approximately \$9,700.

Bob Bessey moved to authorize the project and commit funds in the amount of \$230,000 (85%), to be repaid over 24 years with annual payments of approximately \$9,700. Harold Shirley seconded the motion. Motion passed unanimously.

FLAMING GORGE WATER RIGHT
41-3487, 3523, 3530
Uintah Water Conservancy District
Duchesne County Water Conservancy District

Chairman McPherson introduced Randy Crozier, Gawain Stone, Eddy Stone, William Berkley, Gale Rasmussen, G. Robinson, John Hunting, and David Rasmussen. Tom Cox reported that recently a report was completed for the UWCD and the DCWCD that indicated there was about 200,000 acre-feet diverted from the Uinta River drainage system. The study indicated the future water demand in the district service area far exceeds the amount available. The districts are continuing to include additional storage in the Green River Basin, which will enable them to more fully develop their full Flaming Gorge water rights.

In 1996 the board awarded the Uintah Water Conservancy District 8,400 acre-feet of Water Right 41-3487, limited to 5,176 acre-feet of depletion. In 1999 the board gave the district another right of 43,400 acre-feet of diversion, limited to 20,000 acre-feet of diversion (Water Right 41-3523). To date, 700 acre-feet of the first water right and 3,657 acre-feet of the second water right have been segregated, including about 1,000 acre-feet for energy development.

The board awarded Duchesne County Water Conservancy District 47,600 acre-feet of diversion, limited to 31,168 acre-feet of depletion, of Water Right #41-3530. So far 2,900 acre-feet has been segregated from that water right to Newfield Oil for use in its oil injection wells.

Staff recommended the Uintah WCD be allowed to retain all of Water Right 41-3487 for 8,400 acre-feet, and also retain 33,700 acre-feet of Water Right #41-3523, limited to 15,530 acre-feet of depletion. Staff also recommended the Duchesne County WCD be allowed to retain 39,150 acre-feet of Water Right #41-3530, limited to 25,630 acre-feet depletion.

Randy Crozier spoke to the board to request the districts be allowed to retain their original water right amounts as they have projects being developed to use the water. There will be future development and growth that will require additional water, and the lack of water will hinder that growth. Water was originally promised to the Uinta Basin through the CUP project, but when the ultimate phase of that project was deauthorized and not constructed, the hope for more water for the basin was taken away.

Brad Hancock suggested the board defer making a decision at this time, and wait until the December board meeting. That would allow the board to do research into what waters will be available after the final proof due date of December 31. He promised the two districts that no more of the water rights would be reclaimed that was being considered at the present, and said there might be more water for them if they were willing to wait.

Harold Shirley said if a motion were made now, it would lock in the amount awarded to the districts. If a motion was deferred until December and water came back from some of the other rights, then there might be more water available to the districts.

Gawain Snow said the Uintah WCD has spent several hundred thousand dollars on engineering and a project to pump water out of the Green River will be ready to bid this summer. They have worked with the Bureau of Reclamation on salinity projects and brought pipelines to make exchanges to serve many people. They are working to put the water to use. Water is very vital out in the Basin. He expressed appreciation to the board for taking their needs into consideration, and thought the motion to defer was a good one.

Mr. Hancock made a motion to defer making a decision until the December board meeting, and to postpone the proof due date to December 31, 2008. Bob Bessey seconded the motion. Motion passed unanimously.

APPROVAL OF MINUTES

Craig Johansen moved that the minutes from the January 25, 2008 meetings be approved. Bob Bessey seconded the motion. Motion passed unanimously.

LAKE POWELL PIPELINE

Eric Millis reported that the Preliminary Application Document (PAD) has been submitted to the Federal Energy Regulatory Commission (FERC) to start the licensing, permitting, and environmental compliance processes for the Lake Powell Pipeline project. It is anticipated it will be a 4-4½ year process that will hopefully resolve in the licenses and permits being issued for the project. There are to be five in-line power plants located along the way, including one at the 1,200-foot drop at the Hurricane Cliffs east of Sand Hollow Reservoir. They would generate about 1/3 of the power needed to pump the water from Lake Powell. Then there will be another lift to take the water up to Cedar City. He said there is still a fair amount of analysis that needs to be done to get the final numbers, but at this point they expect to generate about 180 gigawatt hours per year. Mr. Millis said that MWH has worked hard to get everything completed for the application. The division will be sending copies of a DVD that contains the PAD to the various agencies and others that are interested in the project. They will also be available at the offices in St. George and Salt Lake City so people can peruse the documents and get copies of them if they would like.

The next big step in the process will be the Scoping process, where FERC will put together a scoping document that gives information about the project. That document will be available to agencies, the public, the Tribes, and anyone interested. The public can then comment on the project. Scoping meetings are proposed for June. FERC will conduct the meetings and take comments back for their licensing decision. FERC has a schedule laid out for this process and everything should click right along. Nothing should be subject to too much change unless there is controversy or there are things that are not anticipated. That might slow the process down.

MWH has now billed for \$2.76 million, which is about 49% of its contract. They will be working with the Lake Powell Pipeline Management Committee on public involvement, i.e., the

scoping and other meetings with the public, and agency coordination. They will also be working to complete preliminary designs and start the environmental studies. They have completed the water assessments for the three districts, and Larry Anderson has reviewed those.

BEAR RIVER DEVELOPMENT

Eric Millis said the division was interested in sending out a Request for Proposal for an engineering firm to look at bringing water from the Bear River in a pipeline that would begin somewhere in the Bear River-Brigham City area and move water down to Willard Reservoir. He has talked to Norm Johnson in the Attorney's General office about purchasing land, and have scheduled a meeting with the Department of Facilities and Construction Management on the 26th to get more information about acquiring land.

Drilling is being done in the Washakie area to obtain soils information for the dam site there. The studies should begin soon.

DIRECTOR'S REPORT

Director Strong introduced Barbara Allen, who will assist Geralee Murdock as secretary to the board. He said one of the items passed in the 2008 legislative session was an amendment to the board's guidelines that would allow the board to purchase bonds from anyone that could sell a bond. Previous legislation was restrictive in that it allowed the board to purchase bonds only from political subdivisions. This is a good thing because it will now allow the board to do an interest buydown if and when a project is ready to go forward.

Mr. Strong welcomed Stew Paulick, saying that while it took some time to get his name approved, the board is glad he's here and look forward to working with you.

NEXT MEETING

The next meeting of the Board of Water Resources will be held on April 25 in Salt Lake City.

Bob Bessey moved that the meeting be adjourned. Stew Paulick seconded. Motion passed.

Meeting adjourned at 5:15 p.m.

Approved
MINUTES OF THE BOARD OF WATER RESOURCES
BRIEFING MEETING
January 25, 2008

Room 314
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

Minutes of the
Board of Water Resources Briefing Meeting
1/25/08

Attendees:

Paul McPherson
Ivan Flint
Robert Bessey
Craig Johansen
Harold Shirley
Brad Hancock
Blair Francis

Dennis Strong
Eric Millis
Todd Adams
Val Anderson
Geralee Murdock

Discussion of the Projects

Fountain Green Irrigation Company

Bob Bessey said Fountain Green has almost a completely closed system except the area in the proposed project. They are requesting the old concrete ditch be replaced with 3,050 feet of 18-inch 80 psi pipe. He said this is the Big Spring water that comes down to the fish hatchery and to the power plant. He said it will finish off the system if they get this completed.

Uintah Water Conservancy District

Val Anderson said the conservancy district added a screen to the Thornburgh Diversion and had a bid opening. That's why costs are higher than anticipated.

Holliday Water Co.

Paul McPherson said the company got in trouble because the contractor was ahead of schedule and they didn't want to slow them down. They got into a cash flow problem keeping him paid ahead of when they expected to pay him. They, therefore, do not have the cash in hand to make their payments to the Board. The company is requesting they pay half of March's loan payment in April and the other half in May. They are also willing to pay their March 2009 payment in October 2008.

DAM SAFETY CONSTRUCTION

DMAD Company

Eric Millis said the Dam Safety projects are all coming in more expensive than estimated. The construction of the toe drain at DMAD dam had problems with sand getting into the drain pipe. It should have been filtered so the sand couldn't get in. The contractor filed a claim against DMAD. DMAD made a counter-claim and in accordance with the contract documents the matter ended up going to mediation. In addition to the settlement there were costs for the company's attorneys and engineers. The increased cost is \$550,000 which results in an increase in the dam safety grant of \$522,000.

Utah Division of Wildlife Resources

Eric Millis said Wildlife Resources owns Mill Hollow Dam. The dam has a steep down stream slope with seepage problems. The estimated cost of the upgrade, including engineering is \$1.8 million. The bids came in within the engineer's estimate. Director Strong said the State Engineer ranks the dams according to a weighted system. Mill Hollow is a high hazard dam, and should be given an 80% grant because it is a political subdivision. Irrigation companies receive a 90-95% grant.

Other

The Board discussed House Bill 51. Director Strong and Chair Paul McPherson will probably leave the Board meeting to go up to the Capitol and testify regarding this bill.

Eric Millis said the Duchesne County Water Conservancy District and the Uintah Water Conservancy District will come to the March Board meeting regarding their Flaming Gorge Water Right. There is 99,400 acre-feet of diversion and 56,330 acre-feet of depletion they would like to have. They say they can use all of that and more. After considerable discussion whether they would make a decision in March or December the Board decided to do it in March. Brad Hancock suggested the districts be allowed to retain, less 10,000 acre-feet of depletion, their rights and asked the Board to formalize that at the March meeting. Harold Shirley asked staff to provide information to the Board prior to the March Board meeting.

Meeting adjourned at 12:10 p.m.

Approved
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Meeting adjourned at 12:10 p.m.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
January 25, 2008

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

TABLE OF CONTENTS

	<u>page</u>
SUMMARY OF BOARD ACTIONS	ii
THOSE PRESENT	iii
APPROVAL OF MINUTES	1
WATER SUPPLY REPORT	1
COMMITTAL OF FUNDS	
#E-036 Uintah Water Conservancy District	1
SPECIAL ITEMS	
#E-122 Holliday Water Co.	2
DAM SAFETY CONSTRUCTION	
#C-031 DMAD Company	2
#/C-034 Wildlife Resources (Mill Hollow)	3
LAKE POWELL PIPELINE PROJECT	3
BEAR RIVER DEVELOPMENT	4

SUMMARY OF BOARD ACTIONS

1. The Minutes of the December 14, 2007 minutes were approved as prepared. Page 1
2. Funds were committed to the Uintah Water Conservancy District in the amount of \$922,000 (65%) to be returned in 25 years at 2% interest with annual payments of approximately \$47,200. Page 2
3. The Board allowed the Holliday Water Company to pay \$90,000 of its March 2008 payment in April, 2008 and the remainder the middle of May. The company will also make its March 2009 payment in October, 2008. Page 2
4. The Board amended the DMAD Company contract to add an additional \$522,500 dam safety grant funds to complete Phase I of the project. Page 3
5. The Board provided \$1.44 million (80%) in dam safety grant funds to the Division of Wildlife Resources for Mill Hollow Dam. Page 3

THOSE PRESENT

The **BOARD OF WATER RESOURCES** met in regular session on Friday, January 25, 2008 in the auditorium of the Department of Natural Resources Building, 1594 West North Temple Salt Lake City, Utah. Chair Paul McPherson presided over the 1:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Paul McPherson
Blair Francis
Brad Hancock
Ivan Flint
Harold Shirley
Craig Johansen
Bob Bessey

STAFF MEMBERS PRESENT:

Dennis Strong, Director
Eric Millis, Deputy Director
Todd Adams, Asst. Director
Randy Staker, Accountant
Bill Leeftang, Chief Design Engineer
Eric Edgley, Chief, Technical Services
Val Anderson, Chief, Investigations
Shalaine DeBernardi, Engineer
Gina Hirst, Engineer
Tom Cox, Engineer
Russell Hadley, Engineer
Joel Williams, Engineer
Matt Call, Engineer
Geralee Murdock, Administrative Secretary

OTHERS PRESENT:

Paul Blanchard, Northwest Pipe

Gawain Snow, Chairman, Uintah Water Conservancy District
Addie Snow, Uintah Water Conservancy District
Scott Ruppe, Manager, Uintah Water Conservancy District
Mike Collins, Bowen Collins & Associates
David Robertson, Lewis Young, Robertson & Burningham

OTHERS PRESENT CONT'D.

George Grover, President, Holliday Water Company
Marlin Sundberg, Manager, Holliday Water Company

Ken Fowkes, President, DMAD Reservoir Company

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
January 25, 2008

Chair McPherson welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Harold Shirley made the motion, seconded by Bob Bessey to approve the minutes of the December 14, 2007 meetings. The Board unanimously agreed.

WATER SUPPLY REPORT

Randy Julander said snowpack is relatively good, however, there was absolutely no snowpack until the beginning of December. Precipitation is pretty close to average. Soil moisture is about the same as it was in 2006. Reservoir storage – the Bear is about 20% of capacity and will take a long time to get back to where it needs to be. There are also problems at Willard Bay. Streamflow forecasts will be updated in a week and they are expected to increase as much as 20%.

COMMITTAL OF FUNDS

#E-036 Uintah Water Conservancy District

Chair McPherson introduced Scott Ruppe, Addie Snow, Gawain Snow, Mike Collins and LeRoy Robertson. Gina Hirst reported the district serves both municipal and industrial entities and several irrigation companies. There are about 14,000 agricultural acres in Ashley Valley. Sponsors had difficulty delivering water to about 5,000 acres on the upper side of the valley. When the irrigation season progresses there is not enough flow in the creek to satisfy the storage rights held in Steinaker Reservoir.

The engineer has completed final design and costs are anticipated to be much higher than the authorized cost due to an added screen structure and tie-in of the upper and lower division plus the cost of labor and materials. The cost of the project is now anticipated to be \$1.422 million.

Scott Ruppe said there is a deficiency in the Vernal Unit that's never been addressed. It's been looked at for years. The district applied for a 2025 grant three different times, and it was finally awarded this last year.

Brad Hancock made the motion to commit funds to the Uintah Water Conservancy District in the amount of \$922,000 (65%) to be returned in 25 years at 2% interest with annual payments of approximately \$47,200. Craig Johansen seconded the motion and the Board unanimously agreed.

SPECIAL ITEMS

#E-122 Holliday Water Co.

Chair McPherson introduced Marlin Sundberg and George Grover. Gina Hirst reported the Board provided \$1.5 million to the Holliday Water Co. in 2004 to help replace their small distribution pipeline with 8" ductile iron pipe. They added 1000 fire hydrants to the system and replaced old galvanized pipe with steel service lines. After completion of the project the company continued to replace other water lines in the unincorporated Salt Lake county area of its service area. These upgrades were to be completed over three years and to be done by the fall of 2008. The contractor moved very efficiently and he completed the 2008 phase of the project leaving a cash flow problem for the company.

The loan payment to the Board is due March 1, however the company bills on a quarterly basis and will not bill again until April. They anticipate it will take about six weeks to collect that money and it will generate about \$350,000. The Company's requesting the Board consider allowing them to pay \$90,000 or about half of the loan payment of \$183,400 in April and the remainder about the middle of May. The company's willing to pay its March 2009 payment in October of 2008 to help balance the interest issues generated by the late payment.

Mr. Grover thanked Chair McPherson for taking his phone call the other night.

Ivan Flint made the motion to allow the Holliday Water Company to pay \$90,000 of its March 2008 payment in April, 2008 and the remainder the middle of May. The company will also make its March 2009 payment in October, 2008. Blair Francis seconded the motion and the Board agreed unanimously.

DAM SAFETY CONSTRUCTION

#C-031 DMAD Company

Chair McPherson introduced Ken Fowkes. Shalaine DeBernardi reported the DMAD Dam is located approximately six miles northeast of Delta. In June 2005 and October 2006 the Board granted funds to upgrade the dam. The dam's embankment was unstable. It contained no cutoff trench and had inadequate drainage. Phase I addressed these issues with construction of a stabilization berm and a toe drain. Phase II will consist of improvements to make the spillway meet current standards. In 2007 the engineer began the geotechnical evaluation for Phase II. Problems were encountered during construction of the toe drain part. Phase I that could only be

resolved by mediation. The mediation required the DMAD Company to pay a problem of the added construction cost of Phase I. The company is requesting additional funds to pay for this and additional expenses. The company is requesting an additional dam safety grant of \$522,500. The total grant will be \$3.56 million.

Mr. Fowks said the dam was unstable so they put in rock to stabilize the stabilization berm. The first part of the construction was okay but in the second part when they started building a pipeline, the contractors didn't know what they were doing. The DMAD Company hired a different company out of Heber City to put in a different pipeline system. They did the job in good shape and now the pipeline is working fine. The original company from Virginia came back for more money. We went to mediation and they got more than was anticipated.

Bob Bessey made the motion the DMAD Company contract be amended to add an additional \$522,500 dam safety grant to complete Phase 1 of the project. Harold Shirley seconded the motion and the Board unanimously agreed.

#C-034 Wildlife Resources (Mill Hollow)

Shalaine DeBernardi reported Mill Hollow Dam is owned by the Division of Wildlife Resources. Wildlife Resources is requesting financial assistance from the Board to upgrade Mill Hollow Dam to meet current dam safety standards. There is seepage from the embankment and abutments. The slope of the downstream face is too steep. The spillway is inadequate and there is no upstream gate for the outlet. The downstream slope will be reconstructed, the spillway will be removed and a new one constructed and upstream guard gates will be installed. The cost of the upgrade including engineering is \$1.8 million. The Division of Water Resources will provide technical assistance. Matt Call of the division is the project manager.

Harold Shirley made the motion to provide \$1.44 million dam safety grant (80%) to the Division of Wildlife Resources for Mill Hollow Dam. Bob Bessey seconded the motion and it was unanimously agreed upon by the Board.

LAKE POWELL PIPELINE PROJECT

Eric Millis said since the last Board meeting they've been working with the Lake Powell Management Committee and Montgomery Watson Harza on a proposed action to go to the Federal Energy Regulation Commission (FERC). Rather than go through the Kaibab-Paiute Indian Reservation the pipeline would go south of it. A preliminary application document has been prepared that is to be submitted to FERC on February 15.

On January 24, Dennis, Larry and Eric met with the Kaibab-Paiute Indian Tribe at their request. They wanted the tribal members to hear an explanation of what the project is and to be able to ask questions. After the meeting, they felt like the Indian Tribe would not want the pipeline to go through the reservation.

BEAR RIVER DEVELOPMENT

Eric Millis said CH2M Hill is working on an on-site investigation at the Washakie Site. They haven't begun drilling up there yet, but should be doing that soon. The next thing coming up is an investigation of where you might pull water out in the Bear River City area and move it down towards the Willard Reservoir, looking at facilities, easements and rights-of-way. Ivan Flint asked if they were contacting the land owners at the Washakie Site. Eric said the owners that would be effected had been contacted and all were very agreeable.

Meeting adjourned at 2:10 p.m.